March 1999

Dear Friends,

It's property tax time again. As homeowners prepare to pay their taxes for the first half of the year, we're reminded of the burden placed on many seniors, especially those on fixed incomes.

We are concerned about the serious dilemma that exists for homeowners when their taxes rise faster than their income. For this reason, we have introduced several pieces of legislation this session to ease the property tax burden on Washington seniors.

This pamphlet describes many of our proposals. It will also tell you how to take advantage of tax breaks the Legislature has already adopted that are currently available to many seniors.

Reducing the property tax burden to keep housing affordable has been an ongoing effort for us. We believe government's claim to tax revenue should never be the cause for people to lose their homes. At some point, we have to say, you own your home, and we will not allow government to take away what you've worked for.

If you have any questions about property tax breaks or other issues affecting seniors, please let us know.

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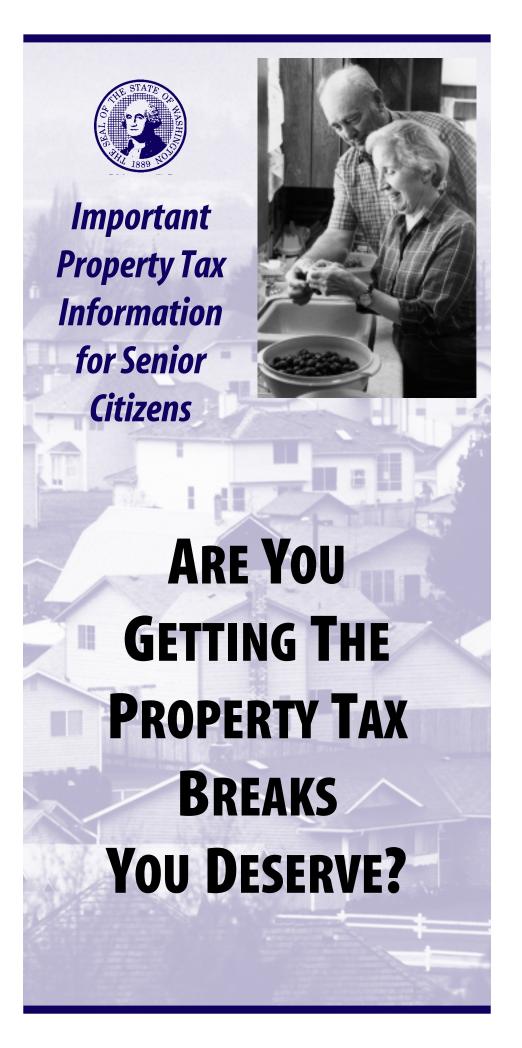
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ARE YOU GETTING THE PROPERTY TAX BREAKS YOU DESERVE?





PROPERTY TAX EXEMPTIONS

Who qualifies?

The Legislature has expanded the number of seniors who qualify for property tax exemptions. You may qualify for property tax exemptions if you meet all of the following criteria:

- You are at least 61 years of age or disabled.
- You own and live in a single-family home, mobile home, or condominium.
- You have a combined household income not exceeding \$30,000.

Expenses for some nursing or home health care and some medications may be deducted when calculating your income. You also can remain eligible for tax breaks if your home is rented while you're in the hospital or nursing home.

Valuation limit

Qualifying citizens are entitled to property tax exemptions on their principal residence and up to one acre of land. The value of the residence is frozen at its value on Jan. 1 of the year in which you first qualify for the program.

Exemption schedule

You are eligible for the following exemptions if your combined household income falls within the range indicated.

<u>Income</u>	<u>Exemption</u>
\$24,001 to \$30,000	All excess levies (special school levies are an example of excess levies).
\$18,001 to \$24,000	All excess levies and regular levies on the greater of \$40,000 or 35% of assessed valuation (\$60,000 max.).
\$18,000 or less	All excess levies and regular levies on the greater of \$50,000 or 60% of assessed valuation.

PROPERTY TAX DEFERRALS

If you are at least 60 years of age or retired because of physical disability — and your disposable income is \$34,000 or less — you may qualify for property tax deferrals. The state allows property tax deferrals on up to 80 percent of the equity in your home. The deferral program applies to your principal residence and up to five acres, if zoning requires a larger parcel size.

Under this program, you pay no property tax until the home is sold. The state pays the deferred taxes, and in exchange, receives a lien against the property equal to the amount of owed taxes plus 8 percent. Total taxes are collected when the property is sold or passed on.

REMODELING

People who remodel single-family homes can qualify for tax exemptions on the increased value of their property. Owners may claim tax exemptions on new additions of up to a third of the original value of their homes for three full years following remodeling.

This exemption is available to all homeowners.

HOW TO APPLY FOR PROPERTY TAX BREAKS

For information on both property tax exemptions and deferrals, call your county assessor:

King County Assessor.....(206) 296-3920

For more information about our state's property tax laws, call the Washington State Department of Revenue:

Washington State Department of Revenue 1-800-647-7706

✓ Making More Seniors Eligible For Relief

We are supporting legislation that would make more seniors eligible for tax relief. The measure contains several provisions for property tax relief including:

• Strengthening taxpayers' rights when there is a dispute over tax liability. Our bill would shift the legal presumption in favor of the taxpayer and place the burden of proof on the government in all tax disputes.

We are working to restore fairness and provide relief for all homeowners, especially those on limited incomes, so that young families can afford their first home and seniors can remain in their home for as long as they choose.

